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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-30-2019]

Foreign-Trade Zone (FTZ) 20 – Norfolk, Virginia

Notification of Proposed Production Activity

STIHL, Incorporated

(Outdoor Power Equipment)

Virginia Beach, Virginia

STIHL, Incorporated (STIHL) submitted a notification of proposed production activity to the FTZ Board for its facility in Virginia Beach, Virginia. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on May 1, 2019.

STIHL already has authority to produce outdoor power equipment and their parts within Subzone 20E. The current request would add foreign status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt STIHL from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below, STIHL would be able to choose the duty rates during customs entry procedures that apply to: blowers, trimmers, sprayers, cutters, cultivators, and chainsaws (duty rate ranges from duty-free to 4.7%). STIHL would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include portable sprayers, tool holders, lithium battery primary cells, recorded media, electronic modules, and apparatus for measuring voltage (duty rate ranges from duty-free to 3.9%). The request indicates that lithium battery primary cells will be admitted to the zone in privileged foreign status (19 CFR 146.41), thereby precluding inverted tariff benefits on such items. The request also indicates that certain materials/components are subject to special duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: May 2, 2019.

Andrew McGilvray,
Executive Secretary.

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